

**ATTACHMENT A
CITY OF NEWPORT, OREGON
ACKNOWLEDGMENT OF ADDENDA**

Project Title: Utility Rate Study

Close: October 25, 2016 at 2:00 pm

I/WE HAVE RECEIVED THE FOLLOWING ADDENDA ONE (*If none received, write "None Received"*):

1. _____ 3. _____

2. _____ 4. _____

Date

Signature of Proposer

Title

Corporate Name

City of Newport
Finance Department
Utility Rate Study
Addendum One

The following questions or processes have come to light and the following are the answers to the questions and process.

As per Section 2 paragraph I of the RFP the City of Newport's Project Manager is Mike Murzynsky and he can be reached at m.murzynsky@newportoregon.gov.

When was the last time the City updated these rates? **It is not known when the rate structure was last updated. The rates saw a significant increase in 2012, (water – 15% increase, wastewater – 20% increase, implementation of storm water utility fee - \$6.80 per account) to make up for a significant period of time when rates saw no increases at all. Again in 2013, rate increased in water and wastewater 15%, and the infrastructure and storm water fees increased 5%. However, the rates have since increased steadily per an Infrastructure Task Force recommendation; rates average about a 3% increase per year since to meet inflation.**

Are the existing rate models description available on your website? **The current rates (and rate structure) can be found at the following section titled Utility Rates and Fees 2016-17 - <http://newportoregon.gov/dept/fin/utilitybilling.asp>**

Please note that this structure has been used with several increases being spread proportionally over each of the fee components for the past decade and beyond.

I gather that the term ‘infrastructure’ refers to road and bridges, is that correct. **Infrastructure refers to all constructed utility and transportation systems maintained by the City including water, sewer, street and storm sewer.**

Do you have a transportation utility? **No.**

I attempted to register on the website but it didn't seem to take that I registered. **ORPIN requires users to register to download materials. If you are having trouble with the website, please contact ORPIN directly or download the information directly from the City website here: <http://www.newportoregon.gov/business/rfpbidsopen.asp>**

Stormwater – It appears the City does not have a dedicated stormwater fund for the tracking of storm and surface water management revenues and expenditures. Can we assume the revenues from the current \$8.25 per account per month are tracked in the wastewater fund? Also, is it correct to assume the costs of the stormwater management program are booked in the wastewater fund? Finally, does the City currently track the revenue requirements for the stormwater program? **The Storm Water fee is tracked in the Public Work Street fund, see pages 291 through 296 of the 2016-17 Budget Document (on the City's website).**

Water and wastewater GO bonds – are these GO bonds backed with a revenue pledge of the water and wastewater utilities (i.e., double barrel bonds)? In your current budget, you show property taxes as the only resource for the payment of debt service on these outstanding GO bonds. Will that continue over the life of the outstanding bonds? **Yes.**

Does the City currently have an adopted set of financial management policies for their municipal utilities? If so, are those policies available for review? If not, is it the responsibility of the consultant to prepare a recommended schedule of financial policies? **We currently follow Generally Accepted Accounting Principles and have determined targeted fund balances for the Utility funds. Recommended policies are a desired outcome of this study.**

Does the City maintain 5-year capital improvement plans? If so, can those plans be available for review? **We do not have an approved five year CIP, only one year is approved by the City Council. However, the City has been developing Water, Sanitary Sewer and Storm Sewer mast plans which outline capital needs. These plans will be provided upon request.**

The current Infrastructure Improvement Fee – The city currently charges this fee to customers with water meters in service (i.e., \$7.30 for a ¾” meter). Is there any background available for review concerning the cost of service analysis for this fee? **No, this is a desired outcome of this study.**

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